

NOTE 21 – FUND BALANCES

A. Reservations - Primary Government

The line entitled "Reserved fund balance" on the Governmental Funds Balance Sheet at September 30 consists of the following (in millions):

	General Fund	School Aid Fund	Other Special Revenue Funds	Debt Service Funds	Permanent Funds	Total
Budgetary carry-forwards:						
Encumbrances	\$ 64.1	\$.5	\$ 80.0	\$ -	\$ 13.3	\$ 157.9
Restricted revenues	527.8	72.4	307.9	-	-	908.1
Multi-year projects (capital outlay and work projects)	34.0	-	428.5	-	37.7	500.2
Construction and debt service	-	-	70.3	-	-	70.3
Revolving loan programs	5.0	-	49.4	-	-	54.4
Funds held as permanent investments	-	-	121.3	-	452.8	574.1
Noncurrent assets	538.9	1.1	30.0	-	-	570.0
Other purposes	-	-	-	.3	-	.3
Total Reserved Fund Balances	\$ 1,169.8	\$ 74.1	\$ 1,087.4	\$.3	\$ 503.8	\$ 2,835.4

Budgetary carry-forwards represent unused spending authorization that continues to be available in the new year. Restricted revenue carry-forwards include revenues restricted by law for specified purposes. The largest restricted revenue carry-forward in the General Fund is related to the Low Income and Energy Efficient Program in the amount of \$34.1 million. The \$34.0 million of multi-year projects in the General Fund includes \$7.9 million of capital outlay and \$26.0 million of work project authorizations. Such amounts are reserved because the funds are legally segregated for a specific purpose.

Reserved fund balance for restricted revenues within the School Aid Fund represents the amount held within the school aid stabilization fund, created by P.A. 158 of 2003.

Reserves for revolving loan programs represent fund balance which has been appropriated for the purpose of making loans that will encourage economic development in the State. Repayments on such loans are authorized to be used to make new loans.

Funds held as permanent investments represent amounts that have been legally restricted for the purpose of providing a long-term source of investment income. These investments can include either specific investments held for the fund or portions of the fund's share of the Common Cash pool.

Reserves are recorded for noncurrent assets if they do not represent current financial resources available for appropriation.

No reservation is recorded for noncurrent assets if doing so would result in a duplicate reduction of unreserved fund balance. This occurs if the noncurrent assets have already been reserved for some other reason or if they are related to revenues that have been deferred because of not being "available."

Reserved fund balance for other purposes represents a reserve account required by the State Park Gross Revenue Bonds document. This reserved amount is used to pay principal and interest in the event of default.

Also, no reservations of fund balances are recorded in single purpose special revenue funds. From the overall State perspective, the unreserved fund balances of funds other than the General Fund are restricted by the nature of the fund type and they are not available for general State purposes.

B. Net Asset Designations - Primary Government

The line "Unrestricted net assets" on the government-wide Statement of Net Assets contains designations as follows:

The State Sponsored Group Insurance Fund, an internal service fund described in Note 24, designated \$75.7 million for future catastrophic losses.